



California Public Utilities Commission

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Press Release

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PUC COMMISSIONER GRUENEICH ISSUES ALTERNATE TELECOMMUNICATIONS CONSUMER PROTECTION DECISION

SAN FRANCISCO, January 25, 2006 - California Public Utilities Commission (PUC) Commissioner Dian M. Grueneich today issued an alternate proposed decision that would create a new Telecommunications Consumer Protection Program. The proposal, an alternate to the one proposed by PUC President Michael R. Peevey, adopts a Consumer Bill of Rights and proposes a streamlined set of rules, applicable to both wireline and wireless carriers. It retains California's "anti-cramming" rules and adds important protections for non-English speaking residents of California.

Said Commissioner Grueneich, "In 2004 in California, the number of complaints related to wireless service skyrocketed by 63 percent while overall wireless subscriber rates increased by 15 percent. Competition and innovation have provided important consumer protections but more is needed. It is imperative that we take action to ensure that consumers receive the information they need to make informed decisions about this essential service while creating rules that allow competition and innovation to flourish. This decision strikes the appropriate balance between the needs of consumers and supporting a competitive marketplace."

This decision would institute a comprehensive framework for consumer protection, with rights, rules, education, and enforcement. The Bill of Rights in this decision is made real by a set of rules that ensure that consumers are given clear information on what they are purchasing and how much they will pay, comprehensible bills, and a means for efficient and fair resolution of complaints.

These rules are vital not only to the ability of consumers to make informed decisions about the telecommunications services they wish to buy but also the ability to manage their bills. The decision will require telecommunications providers to provide adequate information on rates and charges so that consumers can know what their bills will be from month to month.

The decision also takes a critical step forward by requiring carriers that advertise in a non-English language to provide the contract or confirmation of sale in the same language. According to Commissioner Grueneich, “We cannot continue to ignore the fact that over 40 percent of Californians speak a language other than English at home. The PUC has a constitutional mandate to protect all ratepayers and we must ensure that we do not leave a significant segment of the population behind.”

The decision also calls for an education program to inform consumers of their rights and remedies under the new Bill of Rights and extended rules. This program, which will be run by the PUC, will focus on the most vulnerable populations, including low-income and non-English speaking communities. The program will not only educate consumers about their rights, but also enable consumers to ask the right questions before entering into a contract for service. Said Commissioner Grueneich, “We recognize that all of the entities have responsibilities– the carriers must conduct their business in a fair and equitable manner and consumers must obtain the information they need to make good decisions. The role of government is to help both carriers and consumers meet their obligations, but ultimately to leave the final decisions in their hands. This decision accomplishes this goal.”

Commissioner Grueneich voted, in January 2005, to stay the prior Commission decision on the Bill of Rights in order to allow time for additional review of the rules, implementation schedule, and plan for enforcement of the rules. Her concurrence noted her commitment to be “a force in helping to adopt a viable consumer protection structure in California for telecommunication consumers” and her strong support for affirming the continued enforcement of the Commission’s “slamming” and “cramming” rules. Commissioner Grueneich’s alternate proposed decision today carries out the commitment she made a year ago.

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